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Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF SECRETARY

In the Matter of)
)
800 Data Base Access Tariffs) CC Docket No. 93-129
and the 800 Service Managements)
System Tariff)

REBUTTAL

The National Exchange Carrier Association, Inc. (NECA) submits its Rebuttal in the above referenced proceeding. On September 20, 1993, NECA and twenty-five other parties submitted Direct Cases in response to the Commission's Designation Order in this proceeding.¹ On April 15, 1994, eight parties filed comments/oppositions to these Direct Cases.² Of those parties submitting responses, only MCI directed specific comments to NECA's Direct Case. NECA requests that the Commission terminate its investigation with respect to NECA's 800 Database tariff changes.

MCI states that many of the rate of return carriers (including NECA) fail to address the issue of unbillable query estimation techniques.³ According to MCI, carriers generally provide only estimates, without adequate description of supporting

¹ 800 Data base Access Tariffs and the 800 Service Management System Tariff, Order Designating Issues for Investigation, CC Docket No. 93-129, 8 FCC Rcd 5132 (1993) (Designation Order).

² The eight parties were Ad Hoc Telecommunications Users Committee, Aeronautical Radio, Inc., Allnet Communications Services, Inc., AT&T, CompuServe, First Financial Management Corporation, MCI Telecommunications Corporation (MCI), and Sprint.

³ MCI Comments at 46.

methodologies for arriving at those estimates.⁴ MCI further states that, if carriers do not demonstrate satisfactorily the basis of their estimates, they should be restricted to a two percent level.⁵

MCI also requests that carriers be required to specify whether multiple carrier termination is part of their basic query service which includes "area of service" routing on the LATA level.⁶ Furthermore, MCI states that "all carriers must better articulate whether this feature is part of basic, or only vertical, features."⁷

This Rebuttal demonstrates that the methodology used by NECA to estimate its demand adjustments to account for unbillable queries is reasonable. NECA also shows that its estimates have been validated by actual experience. Finally, NECA explains that MCI's request for clarification of the basic query service as it relates to area of service routing at the LATA level has already been addressed by the Commission in an 800 Database order. Moreover, NECA's tariff language is in compliance with that Commission order.

I. Unbillable Query Techniques.

MCI states "that LEC unbillable queries range from zero percent, almost two percent, four percent, and five percent, up to

⁴ Id.

⁵ Id. at 47.

⁶ Id. at 55.

⁷ Id.

ten and twenty percent."⁸ MCI states that this range of projections is so broad and that no carrier offers adequate grounds for these projections.⁹ By making this comparison, MCI implies that all ECs should be expected to have the same percentage of unbillable queries and states that, if more satisfactory support cannot be given, companies should be restricted to a two percent level.¹⁰

NECA's Direct Case described how the number of unbillable queries are a function of the SS7 network used to provide the 800 query functions.¹¹ NECA stated that the estimated percentage of unbillable queries for its pooling members, used in its rate development, ranged from zero percent to five percent based on varying operating conditions.¹²

The composite percentage of NECA pool unbillable queries was 1.9 percent.¹³ The five percent unbillable factor, moreover, was only for the transport portion when the 800 query was transported over the SS7 network owned by the Independent Telecommunications

⁸ Id. at 46.

⁹ Id. at 47.

¹⁰ Id. at 55.

¹¹ NECA Direct Case at 8-10.

¹² Id. at 9-10. For cases where a third party transport provider is not utilized to transport the query between the 800 SCP and the query originator, NECA did not provide any allowance for unbillable queries in its rate development. Id. at 9.

¹³ Id. at 10 and Attachment 1A.

Network, Inc. (ITN).¹⁴ An unbillable factor was not used for the database owners' query costs. MCI's comparison of NECA's rate development to the other rate of return LECs is inapplicable. Its implication that carriers should have similar amounts of unbillable queries, without any recognition of the impact of differing networks, is simply not supportable.

NECA's allowance for unbillable queries was weighted to reflect actual operating conditions of member companies. NECA's estimate that five percent of the queries transported over the ITN network would be unbillable has in fact been verified from past ITN experience.¹⁵

Therefore, NECA has shown in its Direct Case and this Rebuttal that it has developed reasonable estimates for unbillable queries for use in its rate development. NECA's composite rate is even below the two percent that MCI said would be reasonable.

II. Service Routing

MCI seeks further clarification as to whether multiple carrier termination is part of the basic query service with area of service routing on the LATA level.¹⁶

NECA's tariff clearly describes 800 database access service and the terms under which it is offered. NECA's tariff states:

The basic query provides the identification of the

¹⁴ Id. at 10.

¹⁵ NECA has obtained ITN's written verification on April 29, 1994, that the five percent factor used in NECA's rate development is representative of the average amount of unbillable queries in its network.

¹⁶ MCI Comments at 54-55.

customer to whom the call will be delivered and includes area of service routing which allows routing of 800 calls by telephone companies to different interexchange carriers based on the Local Access Transport Area (LATA) in which the call originates.¹⁷

NECA's description of the application of area of service routing is based upon the Commission's February 10, 1993 Order which states "area-of-service routing, which is the routing of 800 calls by local exchange carriers to different interexchange carriers based on the local access transport area in which the call originates, is a part of basic 800 access, rather than a vertical feature"¹⁸

NECA's tariff indicates that a basic 800 query includes area of service routing at the service level within the LATA to different interexchange carriers.¹⁹ This tariff language is consistent with the Commission's Order with regard to area of service routing. The Commission has made clear that this feature is part of the basic query service rather than a vertical feature.

It is not at all clear what MCI is requesting in its comments. NECA tariff language is in compliance with the Commission's Order and should remain unchanged.

¹⁷ NECA's Access Tariff FCC No. 5, section 6.1.3(c)(3) at 1st Revised Page 6-18.1.

¹⁸ Provision of Access for 800 Service, CC Docket No. 86-10, Order, 8 FCC Rcd 1423, 1425 (1993).

¹⁹ It should be noted that, while the NECA tariff contains both basic and vertical feature charges, the application of either of these charges is dependent upon the type of charges that are ultimately determined by the SCP owner. As previously stated in its Direct Case at 2, none of the NECA member companies are SCP owners.

III. Conclusion

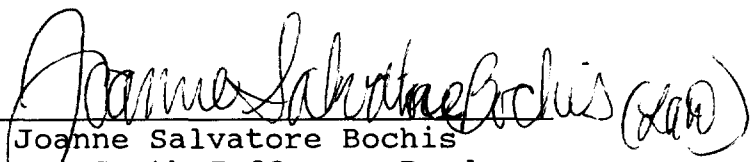
NECA has incorporated reasonable estimates and supporting documentation for unbillable queries into its rate development. Key estimates have been validated by actual experience. NECA has also complied with the Commission's Order in its tariff by stating that a basic 800 query includes area of service routing at the service level within the LATA and is delivered to multiple interexchange carriers. Since NECA has provided all the necessary supporting information and has demonstrated that its rates are lawful, the Commission should deny MCI's request to require NECA to provide any additional supporting information or to reduce its rates. The Commission should terminate the investigation with respect to NECA's 800 Database tariff changes.

Respectfully submitted,

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May 5, 1994

CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing Rebuttal was served this 5th day of May 1994, by mailing copies thereof by United States Mail, first class postage paid, to the persons listed.

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